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320. Exploitation by Communists of Instability of Local Governments

In the past few years, numerous governments in Western-oriented countries have been overthrown by force. Examples can be found in Iraq, Turkey, and South Korea. An unsuccessful revolt against such a government was recently attempted in South Vietnam.

In almost every case, it is noticeable that the revolt reflects strong popular dissatisfaction with the regime which has conspicuously failed to keep its hand on the pulse of the nation and has consequently disregarded or failed to give adequate attention to popular discontent and aspirations. This discontent has largely been centered around two themes. In some cases the dominant theme has been opposition to the high-handed if not outright dictatorial policies pursued by certain regimes, e.g., President Syngman Rhee in Korea, and in others, an increasing disinclination to take an anti-Communist posture and actions in the cold war and a desire for some form of neutrality. In no instance, has it been possible to trace these revolts directly to Communists influence. The Communists have, however, in certain cases, managed to exploit these revolts for their own ends. An extreme example of this has been the use made in Communist-bloc propaganda of the revolt in Vietnam to point to the popular resentment against President Diem's regime although, in fact, the leaders of the revolt professed to be motivated by a desire to set up a regime which would combat the Communists more effectively than has the government of President Diem.

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In a sweeping and unexpected move, the provisional president of Turkey, General Cemal Gursel, has dismissed 14 of the 27 members of the Committee of National Unity (CNU). The officers dismissed appear to be the more immoderate members of the CNU. The most prominent officer is Colonel Alpaslan Turkes -- probably the leading member of the CNU -- who has given indications in the past that he might consider leaving the Army and enter politics, which he perhaps yet may do. He and the other officers who are leaving, to be assigned abroad to various Turkish Embassies for a fairly protracted period, are proponents of a more prolonged period of military rule and Gursel has now reiterated his pledge that national elections will be held in October 1961. Gursel has also announced that a constituent assembly may be formed shortly which will act in lieu of the National Assembly until the elections are held, with the CNU itself acting as a Senate. A further notable feature of these dismissals is that there have been indications some of the ousted officers have favored a foreign policy less outspokenly favorable toward free world policies. This apparent tendency has been removed. There is now some reassurance that Turkey will continue to adhere to the policy outlined by the CNU when it first assumed office, which it has firmly adhered to ever since, that there would be no change in Turkey's foreign policy and that the Gursel regime would strongly adhere to the foreign commitments of its predecessor. Meanwhile, the trials at the island of Yassiada near Istanbul of ex-President Bayar, ex-Premier Menderes, and other leaders of the Democratic Party continue. From the CNU viewpoint, they have not gone well so far. An attempt has been made, without much apparent success, to denigrate Bayar, Menderes, and others by accusations about their private lives and financial shortcomings and by charges of their having deliberately instigated and encouraged the anti-Greek riots of September 1955. There has been widespread apprehension, in Turkey as well as abroad, that the trials might result in condemnation and even execution of several of the Democratic leaders. It is quite likely now that the more extremist elements of the CNU have been removed, the Yassiada trials will be speeded up and the CNU will be able to concentrate more on the major political and economic reforms it has promised without this serious distraction.

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322. Communism and the Farmer

According to Stalin, "The strength of large-scale farming, whether it is landlord, kulak or collective farming, is that large farms are able to employ machinery, scientific knowledge, fertilizers, increase the productivity of labor....." (On the Grain Front, 1928). Earlier, Lenin had said: "Every intelligent socialist will agree that socialism cannot be imposed upon the peasantry by force and we rely only upon the force of example and on the masses of the peasantry assimilating living experience. (Activities of the Council of People's Commissars, 1918). Marx, Engels, Lenin and Stalin all distrusted the peasant as a guardian of the old way of life. The above quotes, taken from the works of the two men most concerned with the implementation of Marxist agricultural - as well as other - theories, point up the basic problem of agriculture in the Communist state. In the formation of a modern industrial society, one of the first considerations is to recruit and train a labor force. Since such a labor force exists only in the villages, which in a pre-industrial society include eighty or ninety percent of the population, a way must be found to bring the farmers to the city and at the same time to increase the productivity of agricultural labor in order to feed the increased urban population. Given this basic requisite of modern industrial societies, it appears inevitable that small, individual-type farming give way to large-scale methods in which the power of man and beast is replaced by that of the machine. Moreover, because in most of the world the cost of machines and the size of agricultural plots prohibits their being owned and employed on an individual basis, there is an increasing tendency toward collective ownership of machinery. All these factors induce change in the rural way of life, and, historically, the peasant, individual farmer and even the serf have stubbornly resisted changes which destroy a perennial mode of existence, a mode of existence which has shaped not only his economic livelihood but his social, political and religious life as well. Marx, in appraising the contribution of the bourgeoisie in "revolutionizing the instruments of production, and thereby the relations of production and with them the whole relations of society," says that the bourgeoisie has "created enormous cities, has greatly increased the urban population as compared with the rural, and has thus rescued a considerable part of the population from idiocy of rural life." As the directors of the Marxian socialist states have discovered to their dismay, the peasant has been slow to recognize the advantages either of urban existence or of the collective-state agricultural life in which the "differences between the industrial worker and the agricultural worker are gradually eradicated." Rather, the peasant has demonstrated a lamentably "perverse" and "obstinate" attachment to that very "rural idiocy" which Marx and the rest were so certain he would willingly abandon after his enlightenment, and a resistance to change which has only been heightened by the strong coercive measures adopted by the Communist rulers, so much so, in fact, that today, one hundred years later, the sector which is still causing the Communists the most trouble is the agricultural sector.

Current instances of Communist agricultural difficulties are manifold. In the Soviet Union, for example, agriculture still lags behind the traditional agriculture of most of Europe, including the dominated countries of Eastern Europe, and over 45 percent of the Soviet labor force is still employed in agriculture. Thus, nearly half the population is busy feeding the other half and

the USSR is still an importer of foods. By comparison, in the United States, only 10 percent of the population is employed on the land. In Kazakhstan this fall, poor organization, lack of proper equipment, obsolete administrative methods and swollen bureaucracy were blamed for allowing 1, 618, 000 hectares of grain crops to go unharvested. China, in the initial phases of its agricultural transition, has reached a stage where urban growth is such that in 1960 the cities must be supplied with twice the amount of grain which they received in 1953. Moreover, part of the acreage formerly devoted to agriculture is now assigned to industrial crops such as cotton and seventy percent of China's exports, which have quadrupled since 1950, are farm products. According to numerous reports received from Communist China, during 1960 the peasants and most of the city dwellers have been suffering from an increasingly serious food shortage. The most important reason for the current hunger in China (more important than the adverse weather conditions, the increased exports, etc.) is the addiction of the Chinese Communist leaders to petrified ultra-Stalinist agricultural formulas which have found their embodiment in the commune, the Chinese vehicle for coercing the peasant and forcing him to break completely with his previous mode of existence. In East Germany, Hungary, Bulgaria and Albania, the same problem exists: varying degrees of forced collectivization which have alienated the rural population and failed to achieve a basic improvement in the agricultural situation. In Poland, where the government abandoned forced collectivization after the events of October 1956, where the collectivized sector now includes little over one percent of the country's arable land, and where Gomulka is seeking to promote collectivization by offering preferential treatment and incentives such as improvement loans, technical aid and farm machinery, the regime has as yet been unable to induce the wary and tradition-bound Polish peasant to trade his beloved horse for a tractor or to participate to any degree in even a voluntary program of limited collectivization. In Yugoslavia, the only Communist country which abandoned collectivization early in its development and succeeded in eliciting some degree of response to its efforts to promote modern agricultural methods, the results have been spectacular, particularly in comparison with those obtained in the rest of Eastern Europe.

Every industrial society has an interest in effecting the transition of the peasant to the urban areas and the reconstruction of rural society in the most painless manner. The Communist societies, however, have an additional handicap since they are ideologically committed to collectivization not only as a practical and necessary economic move but as part of their efforts to create a socialist and ultimately a Communist society. Moreover, the Soviet Bloc has set a specific date: 1965, for the completion of the collectivization, but also to its implementation within a limited period of time. This can only be accomplished by coercion and coercion in turn breeds increased resistance, inefficiency, disinterest and hatred for the regime responsible for the coercion. There is every reason to believe that the agricultural sector will continue to remain an open sore in the Communist body for the indefinite future. 25X1C10b

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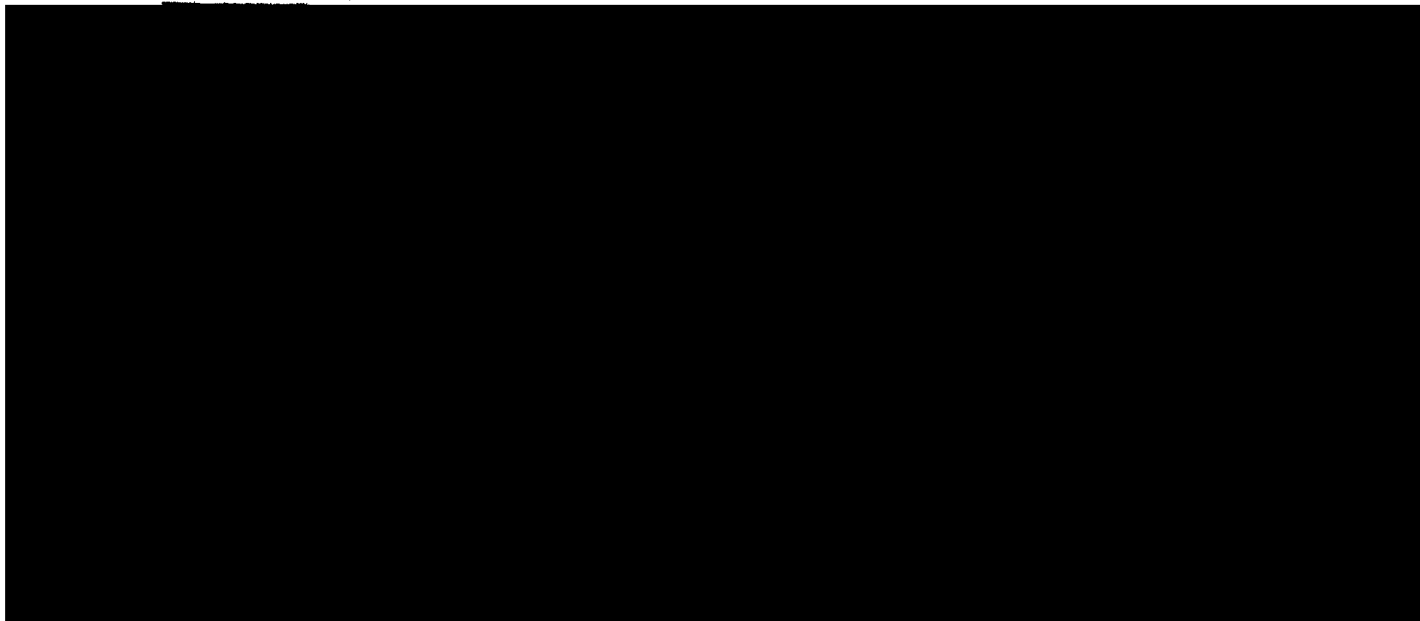
323. Economic Progress in Central America

While news media around the world emphasized the disturbing political events in the area, economic experts from seven Central American nations met in San Salvador during the week of 7 November 1960 and laid the groundwork for encouraging industrial development. Representatives of Mexico, Guatemala, Honduras, El Salvador, Nicaragua, Costa Rica, and Colombia agreed to set up "Centers of Productivity" in each of the seven nations to standardize industrial statistics, establish plans for training industrial workers, draft uniform laws for industrial expansion, and sponsor visits by private capitalists among the respective countries. The conference decided to reconvene the first quarter of each year, rotating the site of the sessions. The next meeting is scheduled for Tegucigalpa, Honduras, during the first quarter of 1961. In another development, El Salvador's Minister of Economy announced that economic experts from El Salvador, Nicaragua and Guatemala met simultaneously to discuss the establishment of a Central American Development Bank. The bank will be capitalized at \$16,000,000, with each of the founding nations contributing \$4,000,000. Costa Rica is invited to participate if she so desires. Upon the formalization of the bank plan, a common market pact between these nations will be signed.

Central American economic integration has been the subject of at least ten years of careful planning. In 1950, the Central American countries proposed a study of the matter to the UN Economic Commission for Latin America (ECLA). Subsequently, a number of specific steps have been taken. In 1958, the fruition of the work of a number of committees was a multi-lateral treaty on free trade and a convention on the system of Central American integration. Perhaps the most important developments occurred earlier this year. On 6 February 1960, a "Treaty of Economic Association Between the Republics of Honduras, Guatemala and El Salvador" was signed, and on 8 June, these nations signed a "Protocol on a Development and Assistance Fund." This Protocol outlines the proposed Central American Bank while the Treaty of Economic Association is a blueprint for an eventual common market area. These developments represent major progress toward the long-range political stability and economic growth of the area.

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The Soviet government has announced that on 1 January 1961 the gold value of the ruble will be \$1.11 rather than 25¢. Soviet propaganda makes much of the apparent "appreciation" of the ruble in terms of the dollar, presenting this as a reflection of increased Soviet power and prestige. This interpretation fails to mention that on the same day, in a bookkeeping change, the old ruble will be replaced by a new one, at the rate of 10 old rubles to one new; at the same time, internal prices will, generally speaking, be divided by 10. Therefore, the correct comparison is between 10 old rubles, officially worth \$2.50, and one new ruble, officially worth \$1.11. There has been a 60% devaluation of the ruble, not an increase in its value.

The actual weakness of the ruble is revealed by the frequent attacks in the Soviet press on currency speculators. An article, "Princes with the Spirit of Beggars," in the 17 September 1960 issue of Literaturnaya Gazeta, refers to "Semi-underworld dzhentlemen, meeting at the Hotel National cafe and checking with one another on 'how does green stand on the market today?' - that is, what is the black market rate for dollars?" Indeed, Moscow is aiming its propaganda that the ruble is gaining on the dollar largely at the Soviet domestic audience, for, despite government assurances, the proposed currency changes have increased the black market pressure against the ruble. The Soviet public has learned from hard experience that such changes usually are used to wipe out savings or to jack up the cost of living. On the black market, the dollar has always stood well above even the "tourist rate" and this reveals the relative prestige of dollar and ruble inside the USSR.

In considering the Russian currency, one should realize that the ruble is not really money. Money makes men free; it gives them freedom to save and make themselves less subject to financial pressures, and these are freedoms the Soviet government is not prepared to allow. Ruble prices are not established by the give and take of the market, but by fiat. Internally, the ruble resembles the company scrip which used to be paid to the coal miners in Pennsylvania 60 years ago. The worker can only take it to the company store. He cannot use it to choose between competing products, for there are no competing products. Externally, a Soviet citizen cannot convert his rubles into dollars or Swiss francs at the official rate; even if he could get access to a recognized foreign exchange market, there would be no interest in them, for rubles are not an international currency. Non-Bloc traders can find no use for them, and the Soviet government itself does its trading outside the Bloc in dollars or barter goods. Soviet "credits, especially for under-developed countries, are sometimes stated in dollars; such a credit means that the other party is authorized to procure goods and services through the Soviet only, at values arbitrarily set by the Soviets.

There has been some speculation that the USSR may, by bringing the ruble nearer to its actual worth, be preparing to make it an international currency, convertible and competitive with the dollar. Whatever action the Soviets may take in this direction, they are unlikely to make the ruble a currency in the same sense as the dollar or the Swiss franc. Purchases by foreign traders in Russia will still be on terms dictated by the Soviet state, Russian citizens will still be unable freely to take funds abroad or buy other

currencies, all Soviet imports will still be under state control. Making the ruble a free medium of exchange would involve a surrender of all the principles of Marxism-Leninism.

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~~FOR ALL AGENTS~~

It has been obvious, especially since World War II, that the lower income groups in the capitalist countries are receiving an increasing income, both absolutely and relative to upper income groups. This has caused considerable difficulty for Soviet economists, since a significant section of Marxist theory has asserted that the poor can only get poorer under capitalism, and Communist propaganda on this score has become less and less effective. An interesting dialogue can be constructed to illustrate the Communist difficulty in dealing with this, to them, unpleasant situation. The classical Marxist position is:

"...Modern working man, instead of improving his standard of living, with the progress of industry, is increasingly depressed below the conditions of his own class. The worker becomes a pauper and pauperization develops faster than both population and wealth." (Communist Manifesto)

"The worker becomes poorer absolutely, i.e., he actually becomes poorer than before, is compelled to live worse than before, eat less, go hungry more often, and knock about in cellars and garrets....In capitalist society, wealth grows with unbelievable rapidity, along with the impoverishment of the working masses." (V.I. Lenin, "Impoverishment in the Capitalist Society," Sochineniya, XVIII, pp. 405-6. This quotation, used in the first (1954) and second (1955) editions of the authoritative handbook, Political Economy, was omitted in the third (1959) edition.)

The Soviet rulers' reappraisal is stated thus:

"We are seriously lagging in the study of capitalism's contemporary stage; we do not study facts and figures deeply; we often restrict ourselves for agitation purposes to individual facts about the symptoms of an approaching crisis or about the impoverishment of the working people, rather than making an all-round and profound evaluation of the phenomenon of life abroad." (Excerpt from Mikoyan speech, 20th CPSU Congress, Feb. 1956).

The Soviet economists attempt to support their rulers thus:

"The so-called essential needs of the worker and his family, as well as the means of satisfying them, are a product of history....In some countries, such as the US, the growth of productive forces and the changes in the conditions of everyday life and work have introduced the cost of buying and operating a car as an item in the budget of some workers' families....The high cost of living inherent in imperialism increases expenditures on reproduction of labor power." (A. Arzumanyan, "Questions of the Marxist-Leninist Theory of Impoverishment of the Proletariat," Kommunist, July 1956. In this connection, Khrushchev has since thoughtfully decided to spare the Soviet workers the burden of car ownership; they will be able to rent cars when communism has been achieved.)

And assess the blame:

"Our economic literature has become soaked in the mistaken point of view that absolute impoverishment of the proletariat is incompatible with even a temporary rise in real wages...some economists, ignoring the facts, maintain that the 'working class receives less and less each year'...[this] 'leftist' point of view is wrong, if only because it conceives

of the working class as an inert mass supinely retreating before the onslaught of capital. This means underestimation of the revolutionary powers of the working class." (Ibid)

"Vulgarly simplified conceptions have been put forth in a number of works by Soviet researchers regarding the uninterrupted, day-by-day, month-by-month reduction of real wages /among workers in capitalist countries/; these have only made the struggle against our ideological opponents more difficult." (Editorial, World Economy and International Relations, August 1959).

Rationalizations are perfected, and new authoritative handbooks are issued:

"A worsening of the position of the workers can take place even when wages go up a little. When there is a step-up in the intensity (pressure) of work, there is an intensified need for better nourishment, medical care, etc. And when this increased need is not satisfied, at least not fully, there takes place a worsening of the position of the working class, an aggravation of its want, even though the amount of wages is slightly increased. . . . Marx, in advancing this proposition /the impoverishment of the workers/ had in mind not a continuous process, but a tendency of capitalism, which attains a disparate realization in various countries and at various periods, athwart deviations and infringements and which is counteracted by other factors." (Foundations of Marxism-Leninism (1959)).

And the blame is now placed, not on Soviet economists (as had been done earlier), but on "critics from the bourgeois-reformist camp":

"They try everything, falsifying the facts, capitalizing on particulars, construing awry certain phenomena of the present day, to prove that Marx's theory, as they would have it, has not been borne out and that present-day capitalism opens up the perspective of an unlimited improvement of the positions of the workers. Not only the position of the working class are here subjected to falsification, but even Marx's theory itself. The critics from the bourgeois-reformist camp, in their efforts to make easier the task set before them, do not boggle at vulgarizing this theory, ascribing to it silly assertions, which Marx and the Marxists never advanced or defended. Specifically, the Marxist proposition on the tendency to a deterioration of the position of the working class is represented in the form of a dogma, according to which under capitalism there occurs a continuous absolute worsening of the living conditions of the workers, year after year, decade after decade. . . "

(Ibid.)

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"Scientific Atheism" has been one of the basic tenets of Communist ideology from the earliest days of the October Revolution. In 1925, the League of Militant Atheists was formed to support the Soviet government's assault on religion in the USSR. Church property was seized, religious organizations, training establishments, monasteries and convents were dissolved and the holding of religious services was permitted only upon compliance with severely restrictive conditions. Notwithstanding these extensive measures, accompanied by widespread and unceasing propaganda, the 1937 census in the USSR revealed that a considerable number of people still professed a belief in God. Notwithstanding, by 1940 the position of organized religions in the USSR had seriously deteriorated, despite the fact that even though the mass of the people continued to observe traditional rites and ceremonies. With the advent of war, and the obvious need for rebuilding the morale of the people, the attitude of Soviet authorities radically changed. A "new religious policy" was announced, attacks on religion virtually ceased, and the Russian Orthodox Church was permitted to resume overt practice of the faith (under State control, of course). Other religions - Catholic, Moslem, Jewish - remained under the pall of official disapproval, if not overt attack. More recently, the CPSU has again expressed alarm at the persistence of evidences of religious belief exhibited by the Russian people, and the 10 January 1960 plenum of the Central Committee went to great lengths to urge more active measures to eradicate these bourgeois survivals. At the same time, while stepping up its campaign of vilification, ridicule, and other forms of verbal attack, the Communists have moved against the several religious denominations in a more direct fashion. Within Russia, the attempt is being made to take control of the Russian Orthodox Church even more complete. In the satellite countries, while the government is continuing heavy pressure on the Roman Catholic establishment, national Catholic churches, clearly and directly under the control of the local Communist Party, have been organized or encouraged. Lesser Protestant sects such as the Baptists and Jehovah's Witnesses continue to be persecuted in all Communist countries.

The Communists, of course, continue their effort to establish communism as the only true religion, and where they cannot destroy religious belief and practice, they endeavor to subvert it to state purposes. Their true aim is to destroy any organization, religious or otherwise, which can be construed by them as a threat to the absolutism of the CPSU. This has been true of dictatorships and totalitarian regimes since the world began. In the Orient, the temporal monarch traditionally controlled the situation by becoming the high priest of the local religion. Hitler's "German Faith" movement was aimed at replacing both the Catholic and Protestant establishments in Germany. Peron, in the last stages of his dictatorship, attacked the Catholic Church as the enemy of his regime.

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